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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

4 v.

22 Cr. 228 (AT)

5 FRANKLIN RAY,

6 Defendant.

Sentence

7 -----x

8 New York, N.Y.  
9 November 28, 2023  
11:00 a.m.

10 Before:

11 HON. ANALISA TORRES,

12 District Judge

13 APPEARANCES

14 DAMIAN WILLIAMS

15 United States Attorney for the  
Southern District of New York

16 BY: MATTHEW A. WEINBERG

Assistant United States Attorney

17 ANTHONY STRAZZA

18 Attorney for Defendant

19 Also Present: Kari Esposto  
20  
21  
22  
23  
24  
25

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1 THE COURT: Good morning. We're here in the matter of  
2 United States v. Franklin Ray.

3 Would you make your appearances, please.

4 MR. WEINBERG: Yes, Matthew Weinberg, your Honor,  
5 appearing for the government, and with me at counsel table is  
6 Robert Stout, of the FBI.

7 MR. STRAZZA: Good morning, your Honor. Anthony  
8 Strazza, appearing for Mr. Ray, who is seat standing to my  
9 right.

10 THE COURT: Please be seated.

11 This matter is on for sentencing.

12 In connection with today's proceeding, I've reviewed  
13 the presentence investigation report filed on June 5, 2023,  
14 revised on June 22, which includes the recommendation and  
15 addendum;

16 The defendant's sentencing submissions dated November  
17 7th and 13th of this year, including counsel's letter, the  
18 mitigation report, a letter from Mr. Ray's physician, five  
19 letters from Mr. Ray's family, and the forensic psychological  
20 evaluation; and

21 The government's sentencing submissions, dated  
22 November 14th, 15th, and 20th of this year, including exhibits  
23 and over 150 pages of victim impact statements and supporting  
24 documents.

25 Have the parties received each of these submissions?

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1 MR. WEINBERG: Yes, your Honor. The government has.

2 MR. STRAZZA: Yes, your Honor.

3 THE COURT: Are there any further submissions?

4 MR. WEINBERG: Not from the government, your Honor.

5 MR. STRAZZA: Not from the defendant.

6 THE COURT: Mr. Strazza, have you read the presentence  
7 report?

8 MR. STRAZZA: Yes, your Honor.

9 THE COURT: Have you discussed it with your client?

10 MR. STRAZZA: Yes.

11 THE COURT: Mr. Ray, did you receive and read the  
12 presentence report?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: And you discussed it with Mr. Strazza?

15 THE DEFENDANT: Yes, your Honor.

16 THE COURT: Have you had the opportunity to go over  
17 with him any possible errors in the report or anything else  
18 that should be taken up with me?

19 (Defendant conferred with counsel)

20 THE DEFENDANT: Yes, your Honor.

21 THE COURT: Mr. Strazza, any objections to the  
22 presentence report regarding factual accuracy?

23 MR. STRAZZA: No, your Honor.

24 THE COURT: AUSA Weinberg.

25 MR. WEINBERG: No, your Honor.

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1           THE COURT: Hearing no objections, the Court adopts  
2 the factual recitations set forth in the report. It will be  
3 made part of the record in this matter and placed under seal.  
4 If an appeal is taken, counsel on appeal may have access to the  
5 sealed report without further application to the Court.

6           Although courts are no longer required to follow the  
7 sentencing guidelines, we are still required to consider the  
8 guidelines in imposing sentence, and to do so it is necessary  
9 that we accurately calculate the sentencing range.

10          There is a plea agreement in this case.

11          Mr. Ray pleaded guilty on March 28, 2023, to Counts  
12 One through Five of the superseding information.

13          Count One charges Mr. Ray with wire fraud, including  
14 while released on bail, in violation of 18 U.S.C. Sections 1343  
15 and 3147.

16          Counts Two, Three and Four charge the defendant with  
17 wire fraud, in violation of 18 U.S.C. Section 1343.

18          Finally, Count Five charges Mr. Ray with aggravated  
19 identity theft, in violation of 18 U.S.C. 1028A(a)(1) and  
20 1028A(b).

21          In the plea agreement, the parties stipulated to a  
22 particular stipulation of the guidelines, which resulted in an  
23 offense level of 35, criminal history category of II and a  
24 guidelines calculation of 188 to 235 months' imprisonment  
25 followed by a mandatory consecutive term of 24 months'

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1 imprisonment for Count Five, resulting in a total stipulated  
2 guidelines range of 212 to 259 months' imprisonment.

3 The presentence report, however, contains a different  
4 calculation. Specifically, probation declined to include a  
5 two-level enhancement for acts of fraud in connection with  
6 major disaster relief or emergency benefits. Because the  
7 COVID-19 loan programs at issue in this case were created by  
8 acts of Congress -- and not authorized pursuant to a Stafford  
9 Act emergency declaration -- the presentence report found that  
10 Mr. Ray did not qualify for the enhancement.

11 Thus, the presentence report calculated the offense  
12 level at 33, the criminal history category at II and the  
13 guidelines range of 151 to 188 months' imprisonment followed by  
14 a mandatory consecutive term of 24 months' imprisonment for  
15 Count Five, resulting in a total guidelines range of 175 to 212  
16 months' imprisonment.

17 Based on my independent evaluation of the sentencing  
18 guidelines, I agree with the presentence report and find that  
19 the offense level is 33, the criminal history category is II  
20 and the guidelines range is 151 to 188 months' imprisonment  
21 followed by a mandatory consecutive term of 24 months'  
22 imprisonment for Count Five, resulting in a total guidelines  
23 range of 175 to 212 months' imprisonment.

24 Because Mr. Ray pleaded guilty to aggravated identity  
25 theft, in violation of 18, United States Code, Section

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1 11028A(a)(1), there is a statutory mandatory minimum term of 24  
2 months' imprisonment, which must run consecutively to any other  
3 sentence imposed.

4 Now I will hear from the parties.

5 Does the government wish to be heard with regard to  
6 sentencing?

7 MR. WEINBERG: Yes, your Honor.

8 And the government would also note, as I believe your  
9 Honor's aware, that there is a victim present, who is prepared  
10 to make a victim impact statement. There are also, I believe,  
11 just for purposes of the record, approximately 50 individuals  
12 who appear to be dialed in to the conference line. It's  
13 difficult to say how many exact number total victims that is,  
14 but 50 dialed in at least to the conference line.

15 Should the government proceed now, or does the Court  
16 wish to hear from the victim now?

17 THE COURT: Well, what is your preference? Do you  
18 prefer to have the victim heard first?

19 MR. WEINBERG: Whatever the Court thinks would be more  
20 helpful is totally acceptable to the government.

21 THE COURT: All right. I will have the victim step  
22 forward then.

23 You may go ahead.

24 MS. ESTOPO: Thank you, your Honor.

25 My name is Kari Esposto, and I am one of the nearly

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1 300 victims of Frank Ray. I flew in from Chicago this morning,  
2 taking a day off from work and making arrangements for my  
3 five-year-old and two-year-old sons because I'm eager to  
4 finally see justice served today.

5 Before I get started, I want to recognize, commend and  
6 say thank you to a few key folks, who we wouldn't be here  
7 without.

8 First, Matthew Weinberg and Robert Stout. Upon  
9 speaking in March 2022, I had 100 percent confidence an  
10 indictment would happen soon thereafter. And sure enough, it  
11 did. Thank you. We wouldn't be here without your  
12 responsiveness to my outreach, your hard work, persistence and  
13 pursuit of justice.

14 Second, Wendy Olsen, the victims coordinator.

15 Wendy, thank you for being there for us and always  
16 being responsive and helpful. Your role is an important one,  
17 and you do it very well.

18 And last but not least, while we have not personally  
19 met, Damian Williams. I have closely followed the cases and  
20 work that you have been overseeing and commend you. I have  
21 full trust that narcissistic men and con women, like Frank Ray,  
22 who I am about to address, will be found and brought to  
23 justice.

24 Now, for my thoughts.

25 In a traditional victim statement, one would share the

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1 details of the significance the crime had on them personally.  
2 While I personally have never made a worse decision than I did  
3 here, I am electing to share an unconventional victim statement  
4 and not make this about me. I could talk about the six-figure  
5 loss that I suffered due to Frank's actions or the 600K loss  
6 members of my extended family suffered, or even the \$40,000  
7 life savings loss suffered from the cleaning lady down in Miami  
8 who I spoke to on the phone, when relentlessly pursuing justice  
9 behind the scenes.

10 I will, however, table any of those stories because,  
11 Judge Torres, I know honestly that Frank doesn't care about  
12 that. In a situation where one can lie, manipulate and harm  
13 literally hundreds of people over and over and over again, me  
14 talking about the hardship made to myself and others really  
15 means nothing to him.

16 Instead, your Honor, it's more important for me to  
17 share illustrative details of the impact Frank made to others,  
18 emotionally, via his narcissistic actions and actions that  
19 really, truly only demonstrated he only cared about one  
20 person -- himself.

21 To familiarize yourself with yourself, Frank, let me  
22 illustrate how your games played out on the emotional  
23 well-being of your victims.

24 First, by definition, a narcissistic person has a  
25 sense of entitlement.



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1 In one of our conversations, after I figured out this  
2 was a scam, I remember I told you on the phone: "You're  
3 ruining the lives of so many people. Don't you even care?"

4 Your response: "Well, I never told anyone to give me  
5 all their money."

6 You knew your game was coming to an end, and instead  
7 of acknowledging the pain you caused to so many, you were true  
8 to the narcissist that you are, lacking empathy and  
9 illustrating entitlement to the money of others.

10 Next, by definition, a narcissistic person has a  
11 preoccupation with power and a need for admiration. They often  
12 can be very charming and charismatic.

13 One of the things that makes me the most sick is to  
14 think of the calls you had with all your victims. They  
15 involved people thanking you, Frank, praising you, and you  
16 eating it all up, saying that you were only doing this to help  
17 people.

18 As a narcissist, part of your M.O. is to seek  
19 compliments and approval of which you did from your victims  
20 over and over and over again.

21 Next, by definition, narcissistic people are arrogant.

22 Whether it was the supposed contracts with Amazon or  
23 then FedEx or even how you looped in a lawyer to put things at  
24 ease in February, your arrogance never tipped below a 10 out of  
25 a 10.

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1 As a narcissist you pride yourself on putting others  
2 down and acting more powerful than them. Unlucky for you,  
3 Frank, you met your me and your match, and your arrogance  
4 didn't intimidate me to work endlessly to make sure that your  
5 game was busted open.

6 Next, by definition, narcissistic people are  
7 manipulative, lacking empathy.

8 There are so many examples of this, but the one that  
9 stands out to me the most is you sending Christmas cards to  
10 your victims in December of '21, expressing your gratitude for  
11 being a part of the CSA business. I sent you a card back that  
12 was a picture of my family, including my two sons, who were  
13 three months old and three years old at the time. It made me  
14 sick up until a few months ago to even look at that picture of  
15 my precious family, because all I could do was picture you  
16 looking at it, laughing, and then stealing more of our money.

17 As a narcissist, it didn't matter who your victims  
18 were, what they were going through in their life, and like a  
19 true narcissist, you only cared about yourself and manipulated  
20 everyone to the highest degree possible, even through the joy  
21 that is supposed to be sent with Christmas cards.

22 Lastly, by definition, a narcissistic people exploit  
23 for their own gain.

24 This one's pretty obvious. And while there's not one  
25 person that really understands your end game, I'm convinced

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1 that pleasing yourself, even for a short time period, was more  
2 important than anything else to you -- even how you value and  
3 think about your family. For me, my dad, who you stole from as  
4 well, is the No. 1 person I look up to and admire.

5 Unfortunately, that's not the case for you and your family,  
6 because if you truly cared about them, you would have written  
7 your story a little differently.

8 If you cared about your family over yourself, you  
9 would have made different choices. After getting out of prison  
10 last time, you would have demonstrated to your kids that you've  
11 changed. If you cared about your family over yourself, you  
12 wouldn't have involved your son in sending emails and  
13 communications to your victims while you continued to steal  
14 money from hundreds of people.

15 If you cared about your family over yourself or even  
16 equally to yourself, you wouldn't have put them at risk because  
17 so many of your victims were so angry at you, threatening to  
18 come to your house, residence, and force you to turn over their  
19 money.

20 But really, Frank, the No. 1 person you care about and  
21 will always care about is yourself.

22 And Judge, this isn't going to change.

23 So, Frank, my wish for your kids, especially your  
24 daughter, is that she perseveres through the F-ups that her dad  
25 has made and has a story to tell. My hope is that one day she

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1 can have the type of success you always wanted and share her  
2 journey with other kids that she mentors that have incarcerated  
3 parents. My wish is that she lives by the motto to never be  
4 like her dad. I hope that she finds her own path and people  
5 that she looks up to because, quite frankly, Frank, you failed  
6 her.

7 So with that, Frank, I hope that you enjoy your  
8 holidays with yourself as you're truly the only person you care  
9 about, and you get to be all by yourself all the time now.

10 Your Honor, my ask is that you don't go lightly on  
11 Frank today. On behalf of the nearly 300 victims, please  
12 impose the maximum sentence on Frank Ray. He will never change  
13 and truly has nothing worthy to contribute to society.  
14 Anything less than the maximum sentence, quite frankly, will be  
15 a disappointment.

16 And my last ask, on behalf of everyone on the call,  
17 with me, and everyone, please work with the Department of  
18 Justice to quickly move and fairly distribute the funds that  
19 are frozen today.

20 Thank you so much. I appreciate being here.

21 THE COURT: Thank you.

22 Mr. Weinberg.

23 MR. WEINBERG: Thank you, your Honor.

24 It will be difficult for the government to add too  
25 much more to that, but I'll do my best and say a few words.

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1           So, I think it is clear that the government thought  
2 long and hard about the appropriate sentence in this case. And  
3 what's our request? We believe that the sentence proposed,  
4 which is the same sentence proposed by probation, which is 15  
5 years on the fraud schemes and then two mandatory additional  
6 years in connection with the aggravated identity theft, is just  
7 the right sentence in light of this conduct. We think it is an  
8 entirely reasonable request. It is absolutely a lengthy right  
9 for a white collar case, a fraud case, but it is eminently  
10 appropriate here. And I won't rehash everything that is in the  
11 sentencing submissions -- the Court went through the list; I  
12 know they were quite lengthy -- nor the over 150 pages of  
13 victim impact statements, but I do want to stress a few points.

14           First, as the Court knows, there are four separate  
15 fraud schemes at issue here. Most of the attention and the  
16 biggest fraud is what we call the truck investment scheme, the  
17 Ponzi scheme, which had 300 victims and involved about \$40  
18 million of deposits, approximately \$20 million of loss. It's  
19 is understood that the restitution figures -- we'll get to  
20 that -- are still being determined, but it's approximately \$20  
21 million of loss.

22           So, four schemes.

23           For the better part of two years, the defendant simply  
24 did not stop scamming. It was one fraud after another. Every  
25 person was a mark, and every situation was an opportunity to

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1 enrich himself illegally. Each of the schemes on their own  
2 would warrant a significant sentence. In the aggregate, they  
3 warrant the sentence requested by the government and by  
4 probation.

5 It's also important, as the Court is well aware, that  
6 one of the schemes, the truck investment fraud scheme, had two  
7 distinct but very significant faces. There's the prearrest  
8 conduct and there's the postarrest conduct. Each of these  
9 frauds are incredibly serious crimes on their own and would  
10 warrant a very significant sentence on its own, but the  
11 postarrest conduct is just shocking.

12 The defendant was arrested on March 2, 2022. He  
13 immediately went back to continuing a Ponzi scheme and stole  
14 approximately two million additional dollars from investors  
15 after March 2, 2022, until he was indicted in connection with  
16 the Ponzi scheme on April 19, 2022. He continued to lie. He  
17 hid the fact of his arrest from his investors. He told  
18 incredible fairytales and stole, all the while knowing that he  
19 was under federal charges, that a day would come where he would  
20 be in a courtroom answering fraud charges, and yet he was  
21 taking money from victims after his arrest.

22 Those \$2 million didn't -- the investors who paid \$2  
23 million after his arrest on March 2 did not receive any money  
24 back. OK? That was just stolen money after March 2, 2022.

25 It's also important to recognize here just the scope

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1 and depth of the fraudulent conduct. The defendant's entire  
2 life, his entire business -- and I put business in quotes --  
3 was a lie. OK? This is not a case where an otherwise  
4 successful businessperson got a little greedy around the edges  
5 or there was a downturn in the business and cut some corners  
6 and did some things they shouldn't do. This is a case about  
7 someone who just fabricated an entire life for himself. His  
8 business, in all material respects, did not exist. The  
9 connections he had to what we called the shipping company and  
10 the e-commerce company did not exist. It was total fabrication  
11 by the defendant.

12 We also want to highlight just a few anecdotes that we  
13 think speak to the depravity of the conduct at issue in this  
14 case and the need for the sentence not only to promote respect  
15 for the law and reflect the gravity of the offense but, quite  
16 simply, to protect the public from future crimes of the  
17 defendant.

18 First, the government addressed in its letter that  
19 there is the manipulation and use of Joseph Winget, Joseph  
20 Winget's wife and the person identified in the court filings as  
21 individual 1. The Court has read letters from Mr. Winget's  
22 wife and from individual 1.

23 The government, in its submission, also provided some  
24 background about how Mr. Winget had previously lost his  
25 retirement savings in an investment in the defendant's prior

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1 trucking company. The defendant preyed on individual 1 and  
2 Mr. Winget and Mr. Winget's wife. They trusted him, and they  
3 paid dearly for that trust.

4 Also, both are addressed in the submission and we  
5 provided exhibits with video recordings and audio recordings.  
6 The government just wants to highlight the meeting in December  
7 2021, that took place in Florida, where there were many victims  
8 in attendance and the defendant spoke for 45 minutes about his  
9 business, all total lies, completely made up. He spoke about  
10 how he was doing this to help people. Again, lies. Not true.

11 He talked about his family and succession plans for  
12 his business. He felt comfortable standing in a room full of  
13 people and just completely lying to them and stealing their  
14 money, pretending to be something he was not.

15 There was also, in March 2022 -- we've provided an  
16 audio recording of this to the Court -- there was the meetings  
17 that the defendant had, and then to be clear, after his arrest  
18 on March 2, 2022, to his indictment on April 19, 2022 --  
19 Ms. Eposto spoke to this and it's discussed in the submissions  
20 and the exhibits. There were many, many discussions between  
21 the defendant and his victims. And he actually hired somebody  
22 to help, you know, be a middle person for those discussions, a  
23 person who the government has not alleged was involved in the  
24 scheme, but who the defendant hired to respond to questions  
25 from the victims. OK?



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1           So there were many, many, many communications in which  
2 the defendant lied to his victims after March 2, 2022. But the  
3 meetings, those Zoom meetings that we have recordings of, shed  
4 so much light on who the defendant is and on the defendant's  
5 conduct.

6           He gets on these calls. He knows he has been charged  
7 with crimes. He knows that the reason he has not paid money in  
8 his Ponzi schemes is that the government has seized his bank  
9 account, and he tells completely made up, fabricated stories,  
10 about the various storms that his business is facing. He talks  
11 about tons of trucks that have returned to CSA Business that he  
12 now has to deal with and how difficult that has been while also  
13 trying to figure out the payroll for all the investors.  
14 Totally made up. There were not tons of trucks returned to the  
15 CSA Business. CSA Business owned a couple of trucks which were  
16 only purchased to help cover the defendant's scheme after the  
17 defendant had stolen money as part of his other fraud schemes.  
18 Just utter fabrications on those calls after the defendant had  
19 been arrested and charged with crimes.

20           There's also, I think, an illustrative story addressed  
21 at page 20 of the government's sentencing submission, and it  
22 relates to the victim that's identified as victim 42.

23           This is an individual who was an investor of Mr. Ray's  
24 prior to Mr. Ray's arrest in March 2022 and had been reasonably  
25 happy with the investment performance. He had planned to make

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1 a \$400,000 investment in Mr. Ray's business. After Mr. Ray  
2 struggled to make payments in early March 2022, this victim  
3 decided maybe there's something going on here, maybe I should  
4 not invest my \$400,000 in this business, maybe there's better  
5 things I should do with my money.

6 The defendant then somehow manages to steal enough  
7 money from other sources to make a payment to this victim, to  
8 the person we've identified as victim No. 42. This is  
9 postarrest. That payment essentially makes that victim, victim  
10 42, break even. It might put him a little bit in profit for  
11 his overall investment in the company. Victim 42 says OK, I  
12 guess, actually, maybe I was wrong, payments are being made  
13 now, it's legitimate. Writes a check for \$400,000 that goes to  
14 the defendant after the defendant's arrest.

15 Of course, it's obvious, but I'll say it, that victim  
16 did not see a dime out of that \$400,000 that he paid after the  
17 defendant's arrest. I think that story speaks to the  
18 manipulation, the deceit and the defendant's willingness to  
19 just do anything he needed to do to continue his fraud, again,  
20 at a time where he absolutely must have known a day like this  
21 would be coming.

22 Finally, the government is concerned about the  
23 defendant's continued misrepresentation and obfuscation of the  
24 scope of the crime here. The government is not challenging the  
25 defendant's acceptance of responsibility. He gets three points

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1 under the guidelines. He pled guilty, acknowledged that he did  
2 the crimes. No question. But the government has serious  
3 concerns about whether the defendant has fully acknowledged the  
4 scope of his conduct and that he is still trying to minimize  
5 it. The government's concern specifically is that absent such  
6 acknowledgment of the scope of his crimes, the government is  
7 very concerned that the defendant will reoffend. How can we  
8 ever trust that the defendant will not go back to his ways of  
9 conning and scamming, if even today -- even today -- he is  
10 still telling incredible tall tales about what happened here?

11 So one example of this -- there's a bigger one, but  
12 just one note. The Court is aware there have been discussions  
13 about restitution and forfeiture and what would be consented to  
14 and not consented to by the defendant.

15 The defendant has now consented to forfeiture of all  
16 the specific property identified by the government, including a  
17 1968 Chevy Camaro. I'll let the defendant speak to this if  
18 this is mistaken, or defense counsel, but my understanding is  
19 that the defendant was willing to consent to that because he  
20 understood that it was his rights to the car that was being  
21 forfeited, not any family member to whom the car might be  
22 titled. Now, of course, the defendant's family member will  
23 have an opportunity to, you know, seek to put in a claim for  
24 that car during forfeiture proceedings. That person has an  
25 absolute right to do that, and that will be handled. But it's

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1 just amazing. This is not a close call. The government has  
2 the records and all the documents that clearly show that this  
3 car was paid for right out of the bank account that all of the  
4 fraud money is going into. The investors give the defendant a  
5 bunch of fraud money, a bunch of, you know, investments in his  
6 fake business, the defendant goes out and buys a car. If the  
7 defendant was truly accepting responsibility, he would want  
8 that car to be sold and his victims to be made whole or at  
9 least help contribute to the victims being made whole. So  
10 that's one issue.

11 But the second one, and this is much more significant,  
12 in the government's view, is the statements made by the  
13 defendant to Dr. Drob, and it's both on his prior arrest on  
14 page 3 of Dr. Drob's report, which is attached, I believe, as  
15 exhibit B to the defendant's submission, and his statements  
16 about the current charges on pages 5 to 7. Now, of course,  
17 this is Dr. Drob's summary of what the defendant said. It's  
18 not the defendant's own writing, but still, it's telling.

19 This was from August of this year. OK? And Mr. Ray  
20 is still saying things like --

21 MR. STRAZZA: May I?

22 I'm sorry to interrupt, Mr. Weinberg. I just want to  
23 remind everybody that this document was filed under seal, so  
24 I'm not sure where the government is going. But I would just  
25 remind everybody of that.

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1 MR. WEINBERG: I was in no way intending to reveal any  
2 sort of medical or other diagnoses referred to in here. I  
3 think that the defendant's statements about his conduct and the  
4 way it speaks to his acceptance responsibility, or lack  
5 thereof, is highly relevant to sentencing. I can just point  
6 the Court to it. I won't read from it, but I just want to make  
7 a few points.

8 THE COURT: Go ahead.

9 MR. WEINBERG: And I have highlighted a few points,  
10 but I will not read them. The bottom line is the Court --

11 THE COURT: You can direct me to the page.

12 MR. WEINBERG: Yes.

13 THE COURT: The paragraph.

14 MR. WEINBERG: OK. So, it's pages 5 to 7. There's  
15 discussion of the current charges. OK?

16 There is, for example, on page 6, the third paragraph  
17 talks about his assistance of other people in committing these  
18 frauds.

19 The next paragraph, the fourth paragraph down on page  
20 6, talks about how somebody else wanted him to get an airplane  
21 and things he did for that person.

22 The following page, the top of page 7 and then the  
23 very last line of it, talks about people used him for his  
24 knowledge and he was misled by others, ignored what was going  
25 on.

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1           It's just incredible that in August of 2023, a year  
2 and a half after his initial arrest, more than a year after his  
3 indictment, five months after his guilty plea, this is still  
4 how the defendant sees the conduct here. The Court has seen  
5 the video of the defendant in Florida at that investor meeting.  
6 The Court has heard the defendant's voice and own words on  
7 those recorded Zoom meetings in March 2022. There is nobody  
8 putting the defendant up to this. There is nobody on whose  
9 behalf he is doing these crimes other than himself. He was --  
10 it's not even the right word to say "mastermind," because that  
11 suggests that perhaps other people were involved. He was the  
12 fraudster for the truck investment fraud and for these other  
13 crimes. We haven't even addressed what we call the joint  
14 venture fraud, but that was all the defendant. There was  
15 nobody else involved in that.

16           So even in August of this year and even, you know --  
17 well, even in August of this year, the defendant is unable to  
18 acknowledge what he has done. And this is a man who has a  
19 prior fraud conviction, which the government believes he also  
20 minimized and misstated in Dr. Drob's report at page 3 as  
21 compared to the PSR, paragraph 104, which provides a detailed  
22 description of that case. He's got a prior fraud conviction.  
23 He got out of jail in 2010. You know, in the mid-2010s, around  
24 2016, he gets an investment from Mr. Winget that goes sideways.

25           Then in 2020 he's committing PPP fraud. He's using

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1 people's identities to commit PPP fraud. He's conning a  
2 business, a New York City business out of money by getting them  
3 to make a payment for a joint venture which he just used for  
4 personal expenses. And of course, he's committing the truck  
5 investment fraud. And he's still trying to rely on the fact  
6 that -- there's one other thing in here that I should flag.

7 It's on page 7, the first paragraph, last sentence,  
8 talks about how, you know, other people -- the bank account was  
9 in other people's names, they were the ones signing the checks.  
10 So he's still trying to argue that those are the people who are  
11 really doing all this, that they're signing on the bank  
12 account. Well, of course they're signing everything, because  
13 they're doing whatever the defendant told them to do because  
14 they trusted the defendant and he had used and preyed and  
15 manipulated them into that trust.

16 So, of course, the government's happy to address any  
17 questions the Court has, but the government believes that, in  
18 light of the conduct here, the scope, the number of frauds, the  
19 postarrest conduct, the continued inability to accept the full  
20 scope of what was done, a sentence of 15 years on the fraud  
21 counts followed by two years on the aggravated identity theft  
22 is absolutely necessary not only to promote respect for the  
23 law, not only to reflect the seriousness and gravity of the  
24 offense, but very, very significantly, to protect the public  
25 from future crimes of the defendant.

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1 Thank you.

2 THE COURT: Before I go on to Mr. Strazza, I'm going  
3 to take a brief pause. I will be back shortly.

4 (Recess)

5 THE COURT: All right. Counsel, you may be heard.  
6 Please be seated.

7 MR. STRAZZA: Your Honor, may I have Mr. Ray speak  
8 first, please?

9 THE COURT: That's fine.

10 MR. STRAZZA: Thank you.

11 THE DEFENDANT: First, I want to thank the Court for  
12 allowing me to speak. I want to thank the work that the United  
13 States government has done, my staff -- my legal team.

14 Your Honor, I am truly sorry. I stand before you to  
15 accept what I've done even though I'm hearing that I didn't  
16 accept it. My attorney told me that I need -- he wanted me to  
17 see Dr. Drob here in New York, and I answered the questions  
18 that he asked and what I thought at the time.

19 Listening to the victim talk, I -- it -- it pains me  
20 to hear that. I've destroyed my family's life for a second  
21 time. There is no fixing it. My wife has stood beside my side  
22 for 26 years and dealt with my stupidity. Only your Honor can  
23 see that and wonder why would this man do this again?

24 When I got involved in all this, it was -- it was to  
25 build something, to have something, and it spiraled so bad that



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1 all I can do is thank the agent for stopping me. I can't say  
2 I'm sorry enough to my family and these victims. I wish that I  
3 knew why I did these things. And I think part of that is my --  
4 my thing for doing these things is maybe I don't understand why  
5 I'm doing it. I'm not realizing something.

6 I mean the victim talking about her father, that's the  
7 only one I had all my life, until I met my wife. And in 2001,  
8 you know, I lost pretty much my entire family in three years --  
9 my mother, my father, my grandfather. And I just -- I wish I  
10 would have had a better mind-set and understand. And I want  
11 the Court to impose the sentence that the Court feels  
12 appropriate and maybe help me.

13 I can't -- I'll never be able to repay the victims, as  
14 much as I want to. I just -- I'm sorry, your Honor. I'm sorry  
15 to the victims, and I'm sorry to my family.

16 Thank you.

17 THE COURT: Mr. Strazza.

18 MR. STRAZZA: Your Honor, I wasn't planning on getting  
19 into Dr. Drob's report, but, you know, now that we have, I've  
20 spoken to Mr. Ray about it, and I do think it's necessary to  
21 address the report.

22 The one thing that I've taken -- one of the things  
23 I've taken out of the report is that Mr. Ray's desire to be a  
24 successful businessman, in his own words, has sort of  
25 sparked -- to say poor decisions does not even describe it, but

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1 his crimes, his crimes, his criminal conduct.

2 From what I take out of what he's saying to the Court  
3 now, from what he said to Dr. Drob and even from what we heard  
4 before, he needs help. He needs help. He makes -- he  
5 certainly puts his own interests above that of society. He did  
6 so here. He's done it in the past. But what's different about  
7 this fraud case and what struck me is that he doesn't -- he  
8 didn't take the money here and live a lavish lifestyle and get  
9 a fancy home and fancy cars and things like that. And the way  
10 he explains it to me is that somehow -- and I can't explain it.  
11 But somehow he thought or his goal was to somehow turn this  
12 into a business. And I can't sit here and explain how he  
13 thought that was going to happen, but I can say that he's sick.  
14 He needs help.

15 The way he thinks leads to his criminal conduct here  
16 and has in the past, and I don't think it's accurate to say he  
17 hasn't accepted responsibility. Rather, I would respectfully  
18 submit it's consistent with his mental health issues. So the  
19 explanations that he gives, that he gave, his actions,  
20 obviously, I believe, are consistent with his mental health  
21 issues. That's not an excuse.

22 THE COURT: Are you saying that mental illness is an  
23 excuse for bad behavior?

24 MR. STRAZZA: No. I was actually, your Honor, in the  
25 process of just saying that is absolutely not an excuse

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1     whatsoever, and there are a lot of people who do deal with  
2     mental health issues who do not commit crimes, especially  
3     crimes as serious as this. I'm offering it as an explanation,  
4     not an excuse. I'm trying to present the Court with all the  
5     facts that have been presented to me. So no, in no way  
6     whatsoever. I would not disrespect the victims. I would not  
7     disrespect the Court or Mr. Ray by sitting here and making  
8     excuses for his criminal conduct here.

9             Rather, I offer it as an explanation as to what makes  
10     sense to me based upon what has been presented to me.

11            With that being said, Mr. Ray has absolutely accepted  
12     responsibility for his crimes. He stood here, he's standing  
13     here now. He pled guilty knowing that he is going to receive a  
14     substantial sentence from the Court here, and I think based  
15     upon what he just told the Court, I think we can tell that he's  
16     accepted responsibility.

17            So I don't think it's fair, and again, I don't want  
18     to -- I don't even think it's necessary to argue this point,  
19     but I don't think it's fair to take this interview with a  
20     forensic psychologist, who explained his opinion of Mr. Ray's  
21     mental health issues and use that against him and say he hasn't  
22     accepted or he's not accepting responsibility for this. I  
23     respectfully submit to the Court it's just further evidence of  
24     the issues that he has and that he has to work on.

25            But taking a step back from that, Mr. Ray, I think

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1 it's obvious he's extremely remorseful for his conduct.  
2 There's nothing he can say or there is nothing I can say right  
3 now to make the victims feel any better about what happened to  
4 them. They're angry. I understand it. They've suffered  
5 hardships. I understand that as well, so I'm not going to  
6 stand up here and try and make light of his conduct or, you  
7 know, try and say that it's not as bad as it's been presented  
8 to the Court. That was never our intention today.

9 We're here to accept responsibility. We know he's  
10 going to receive a substantial sentence. But I would be remiss  
11 for not mentioning what I just said to the Court. I think  
12 that's my job, and I think that's the only thing that makes  
13 sense to me out of all this.

14 With respect to the sentence that the Court is going  
15 to impose today, I think we can all agree that the guidelines  
16 call for a substantial sentence, in my opinion. I respectfully  
17 submit it's greater than necessary to achieve the statutory  
18 purposes of sentencing, as outlined in 3553(a). For example,  
19 we asked for a significant sentence but a below-guidelines  
20 sentence. So if the guidelines start at 12-1/2 years for the  
21 fraud counts, I respectfully submit to the Court that a  
22 sentence of 10 years, for example, would accomplish the same  
23 purposes of sentencing that 12-1/2 would. At some point we get  
24 to a number that is just, all it does is institutionalize a  
25 person. If we really are going to consider the statute and we

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1 are talking about deterrence to future criminal conduct, the  
2 need to protect the public and the need to rehabilitate the  
3 defendant, I think after we get to a certain point, it's  
4 overkill, your Honor. And I think it actually has an adverse  
5 effect on those principles, by institutionalizing the  
6 defendant, and it's just overkill, in my opinion.

7 A decade is a long time, Judge. I respectfully submit  
8 that anything more than that would be just unduly harsh here  
9 and greater than necessary.

10 I would, and again, just because I think it's my job  
11 to address these points, I want to speak on several things  
12 before your Honor imposes sentence.

13 No. 1, there was reference in the government's  
14 memorandum to solicitation, you know, Mr. Ray soliciting  
15 donations for toys and things around Christmastime. I've been  
16 in contact and discussions back and forth with the government  
17 since they've submitted their submission, and I've provided  
18 them with contact information that Mr. Ray has provided to me,  
19 which shows that Mr. Ray did donate a significant amount, a  
20 truckload, full truckload of toys around Christmastime,  
21 presumably the results of donations that he received. And I  
22 don't -- again, I don't want to insult the victims here by  
23 making a bigger issue out of this or a bigger point than it is,  
24 but it wouldn't be fair to Mr. Ray if I didn't address it at  
25 all and if your Honor was never made aware of it.

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1           Again, I don't think it changes and I'm not sitting  
2 here saying it changes the sentence that Mr. Ray should receive  
3 today, but I do think the Court should be aware of it, that  
4 there are certain things that may have been overstated  
5 unintentionally, not on purpose or not in any malicious way.  
6 That was one of them.

7           Mr. Ray did make significant donations of toys around  
8 the holidays that have, I believe -- and I won't speak for the  
9 government, but after providing the government with contact  
10 information and things of that nature, I think that was  
11 corroborated. But I would let them speak on that if they  
12 wanted to.

13           With respect to, there is a, what we haven't addressed  
14 here is the restitution issue. I don't know if the Court had  
15 specific questions about that, but again, I just want to make  
16 sure that's not being misconstrued as Mr. Ray failing to accept  
17 responsibility. It's just there were significant errors in the  
18 calculation that, based upon, again, our conversations -- and I  
19 don't think they were intentional and there are a variety of  
20 reasons and explanations on how they happened. For example,  
21 there's victims that payments were made in company names and  
22 regular names and things of that nature. So again, I do not  
23 want to sit here and I don't want this to be looked at as  
24 affecting his acceptance of responsibility, but at the same  
25 time, I do have a job to do, and the Court should be aware of

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1 these things.

2 If Mr. Ray's calculations are correct and if there is  
3 a discrepancy, you know, in the millions-of-dollars range, I  
4 just think the Court should be aware of it, and then the Court  
5 can make a determination on whether that affects the Court's  
6 determination of an appropriate sentence or not. But I don't  
7 think I would be doing my job if I just stayed silent on that.

8 Obviously everything I mentioned earlier, since I've  
9 stood up, is much more important than these issues, but I  
10 wanted to bring them up to the Court.

11 THE COURT: Is there any reason why sentence should  
12 not be imposed at this time?

13 MR. WEINBERG: No, your Honor, except the government  
14 would briefly address some of the points.

15 THE COURT: You may briefly.

16 MR. WEINBERG: I'll be brief. I promise.

17 First of all, just to be very clear, for the record,  
18 of course the government is not suggesting the defendant has  
19 not accepted responsibility for purposes of the guidelines or  
20 anything of that nature. But his statements about the conduct  
21 as of August 2023 are certainly relevant as a 3553(a) factor.

22 Second, just briefly, with respect to the Christmas  
23 toys, and I don't understand defense counsel to be making a  
24 bigger deal of this than -- suggesting that this is some major  
25 issue. So I appreciate that, but I'll just confirm, yes, the

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1 government understands that there were Christmas toys, toys  
2 donated on behalf of the defendant.

3 It's not clear exactly how that came about, and of  
4 course, this email refers to ten families that the Ray family  
5 helps during the holiday season and asks for victims to send  
6 money, investors to send money. Money was, in fact, sent. It  
7 is certainly not correct to say that the defendant had ten  
8 families that they regularly helped during the holiday season  
9 or anything like that, but some -- you know, there was a  
10 significant donation of toys. It's impossible for the  
11 government to say whether it was every dollar that was donated  
12 or not. But either way, the fact of this email and the clear  
13 intention to curry favor with investors, make them think the  
14 defendant is a family man, a good person, charitable person, is  
15 not at all relevant.

16 And then just the very last thing, on restitution,  
17 again, I just want to stress that the initial list that was  
18 sent to defense counsel was entirely intended to be a draft.  
19 The whole point was that the parties would diligently work  
20 together toward sentencing to identify issues. The defendant  
21 obviously would have important insight into where the mistakes  
22 could lie, and so when that initial list was sent, there's a  
23 reason it was not also sent to the Court, because it was not  
24 final. So the fact that there are some -- I think defense  
25 counsel described them as errors. The fact that there were



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1 some numbers in there that have to be corrected is not terribly  
2 relevant to where we are today. It was a preliminary draft,  
3 and the whole point was let's figure out where the issues are;  
4 the government is not done with this. It's going to do its own  
5 work as well.

6 With that, the government rests on its submission and  
7 earlier statements.

8 THE COURT: Is there any reason why sentence should  
9 not be imposed at this time?

10 MR. WEINBERG: No, your Honor.

11 MR. STRAZZA: No, your Honor.

12 THE COURT: The mandatory minimum sentence is 24  
13 months' imprisonment. Further, as I have stated, the total  
14 guidelines range to be used in this case is 175 to 212 months'  
15 imprisonment.

16 Under the Supreme Court's decision in *Booker* and its  
17 progeny, the guidelines range is only one factor that I must  
18 consider in deciding the appropriate sentence. I am also  
19 required to consider the other factors set forth in 18 U.S.C.  
20 Section 3553(a). These include:

21 First, the nature and circumstances of the offense and  
22 the history and characteristics of the defendant;

23 Second, the need for the sentence imposed to reflect  
24 the seriousness of the offense, to promote respect for the law,  
25 and to provide just punishment for the offense; to afford

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adequate deterrence to criminal conduct; to protect the public from further crimes of the defendant; and to provide the defendant with needed education or vocational training, medical care or other correctional treatment in the most effective manner;

The kinds of sentences available;

The guidelines range;

Any pertinent policy statement;

The need to avoid unwarranted sentence disparities among defendants with similar records who have been found guilty of similar conduct; and

The need to provide restitution to any victims of the offense.

Ultimately, I am required to impose a sentence sufficient but no greater than necessary to comply with the purposes of sentencing that I mentioned a moment ago.

I have given substantial thought and attention to the appropriate sentence in this case, in light of the Section 3553(a) factors and the purposes of sentencing, as reflected in the statute.

I will first address the history and characteristics of the offender.

Mr. Ray had a challenging childhood. As described in the mitigation report, his mother abandoned the family shortly after Mr. Ray was born, and his father worked as a long-haul

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1 trucker, leaving Mr. Ray and his sisters to fend for  
2 themselves.

3 When he was a teenager, his father lost the mobile  
4 home they lived in, and Mr. Ray was passed around to live with  
5 several different relatives and family friends.

6 Mr. Ray joined the U.S. Army Reserves in 1989 and  
7 served in active duty as part of Operation Desert Shield/Desert  
8 Storm. He was honorably discharged in 1997.

9 Mr. Ray has two children ages 25 and 22 with his wife  
10 Marsha. The letters addressed to the Court from Mr. Ray's  
11 family describe his sense of duty and his desire to care for  
12 them.

13 Mr. Ray's son describes him as "fueled by wanting to  
14 provide for his family." Mr. Ray's daughter writes that she  
15 could "count on him [to] show up" and that he put her  
16 "education, well-being, and happiness first."

17 In considering Mr. Ray's character, I must also take  
18 into account his criminal history.

19 This is not the defendant's first offense. In 1990,  
20 Mr. Ray was convicted of writing checks on an overdrawn  
21 account, which resulted in the imposition of six months'  
22 probation and restitution. In 1992, he was convicted of  
23 removal of a chattel mortgage, resulting in a sentence of 30  
24 days in custody and 18 months' probation. And in 2008, Mr. Ray  
25 was convicted of bank fraud and wire fraud, resulting in a

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1 sentence of 24 months' imprisonment and over \$1 million in  
2 restitution. That conviction stemmed from several fraudulent  
3 schemes, including creating invalid checks from his employer's  
4 account and depositing them into his personal bank account, and  
5 then when the fraud was discovered, wiring money from another  
6 company account to his own account to cover the losses.  
7 Mr. Ray also procured various services such as chartered  
8 flights and security for which he never paid.

9 Although previously convicted of fraud and sentenced  
10 to time in federal prison, Mr. Ray was not deterred,  
11 subsequently committing the fraud schemes that are the subject  
12 of today's sentencing.

13 In addition to this criminal history and Mr. Ray's  
14 character, I take into account the seriousness of the offense.  
15 This was a crime with hundreds of victims.

16 From June 2020 to April 2022, Mr. Ray operated four  
17 separate fraud schemes:

18 First, what the government refers to as the CSA  
19 Business SBA fraud. In this scheme, Mr. Ray fraudulently  
20 obtained over \$1 million in government loans intended to assist  
21 small businesses during the COVID-19 pandemic. Mr. Ray claimed  
22 that these loans were supporting a trucking company that he was  
23 involved with, named CSA Business. He submitted fabricated tax  
24 filings, bank statements, and payroll documents in support of  
25 his loan application. He then lied to lenders when they asked

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1 for additional information and siphoned the funds for his  
2 personal use.

3 Second, the Trucking Company-1 SBA fraud. In this  
4 scheme, Mr. Ray fraudulently obtained over \$800,000 in  
5 COVID-19-related loans for another trucking company that the  
6 government calls trucking company 1, securing these loans by  
7 submitting the same forged bank account statements and IRS  
8 filings that he used for the CSA Business SBA fraud. After  
9 trucking company 1 received the first tranche of money from the  
10 economic injury disaster loan program, Mr. Ray immediately  
11 transferred some of the funds to his personal account and used  
12 the rest for other personal and illegitimate purposes. Mr. Ray  
13 applied for this loan using the name, driver's license and  
14 social security number of individual 1, who he convinced to  
15 establish trucking company 1.

16 Next, Mr. Ray committed the joint venture fraud, in  
17 which he fraudulently induced a Manhattan-based company to give  
18 him \$175,000 based on his false promises to set up a joint  
19 trucking and logistics business.

20 Lastly, the truck investment fraud, a Ponzi scheme in  
21 which Mr. Ray accepted approximately \$40 million from about 275  
22 investors.

23 In this scheme, Mr. Ray told potential investors that  
24 he had a fleet of trucks making deliveries on behalf of an  
25 e-commerce company, and in exchange for \$20,000, he would

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1 assign a truck to them. Mr. Ray promised investors 77 percent  
2 of the net income for each truck for seven years.

3 Mr. Ray created a culture of scarcity and exclusivity,  
4 telling inquirers that no trucks were available, only to later  
5 send an email stating that a new batch of trucks were available  
6 to those who seized the opportunity quickly.

7 With each new investment, Mr. Ray perpetuated the  
8 Ponzi scheme and enriched himself.

9 This was an elaborate scheme. Mr. Ray hosted an  
10 investor event at a hotel in Florida, sent holiday cards from  
11 the sham company, hired a director of communications and sent  
12 fabricated reports showing the performance of each truck.

13 In December 2021, Mr. Ray contacted his investors,  
14 requesting contributions for needy families during the holiday  
15 season. Yet there is no evidence Mr. Ray gave any money to  
16 charity or that these "needy families" ever existed.

17 Later, Mr. Ray told investors that if they agreed not  
18 to receive one expected payment, they could switch their trucks  
19 from making deliveries on behalf of the e-commerce company to  
20 making deliveries for an international shipping company.  
21 Mr. Ray said the move promised a larger, long-term return on  
22 their investment.

23 This was another ploy to keep the Ponzi scheme going  
24 and enrich himself.

25 Although investors recouped some of their investment

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1 as part of Mr. Ray's efforts to keep the Ponzi scheme going, of  
2 the \$40 million Mr. Ray accepted from investors, upwards of \$20  
3 million has been lost to his personal gain.

4 The Court heard earlier from one of the victims of  
5 Mr. Ray's Ponzi scheme.

6 In addition, the Court received numerous letters from  
7 victims, detailing their experience with Mr. Ray and the  
8 significant financial burdens, and in some cases financial  
9 ruin, they now face as a result of his fraud.

10 The letters speak to the anguish and hardship these  
11 victims have experienced and the immense damage caused by  
12 Mr. Ray's scheme to their relationships with loved ones.  
13 Multiple victims introduced their family and friends to  
14 Mr. Ray, thinking they were offering a good investment  
15 opportunity to people they cared for deeply. As they wrote to  
16 the Court, those relationships are forever tarnished, and in  
17 some cases irreconcilably so.

18 In reviewing the victim impact statements, I was  
19 struck by the number of victims on the cusp of retirement,  
20 losing much, if not all, of their life's savings and retirement  
21 accounts. Many worry that they may never be able to retire or  
22 will be forced to live in poverty through their later years.

23 The approximately 275 victims of this crime include a  
24 young family with five children, a public-school teacher  
25 putting her two children through college, a not-for-profit

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1 organization working with low-income youth, a disabled woman  
2 who was temporarily homeless as a result of Mr. Ray's scheme, a  
3 cancer survivor who hoped to retire, a firefighter, a woman  
4 struggling with her disabled child's medical bills, a  
5 first-generation American who assists her parents with rent and  
6 her sister with education expenses, a 63-year-old employment  
7 specialist for disabled adults who earns \$43,000 a year, and a  
8 veteran and former steel worker.

9           These victims, who span the socioeconomic spectrum,  
10 may never recover financially from Mr. Ray's scheme. Further,  
11 as I have stated, they will continue to suffer the  
12 psychological and emotional repercussions of this crime for  
13 years to come.

14           It is noteworthy that even after being arrested,  
15 Mr. Ray continued the Ponzi scheme, accepting at least \$1.9  
16 million in additional investments between his arrest and  
17 indictment. Mr. Ray's postarrest scheming not only involved  
18 existing investors but also the recruitment of new investors,  
19 new lies and new manipulation.

20           Section 3553(a) requires the Court to consider the  
21 need to protect the public, to provide just punishment for the  
22 offense, and to deter further criminal conduct.

23           Mr. Ray's previous convictions, unfortunately, did not  
24 deter him from engaging in further criminal activity. Although  
25 there will be a restitution order in this case, the reality is



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1 that with upwards of \$20 million lost, his victims are not  
2 likely to be made whole.

3 In sum, my judgment, for the reasons stated, is that  
4 there is abundant support for a guidelines sentence.

5 Accordingly, I do not believe that a variance pursuant  
6 to 18 U.S.C. Section 3553(a) is appropriate.

7 Mr. Ray, please rise for the imposition of sentence.

8 It is the judgment of this Court that you are  
9 sentenced to a total of 212 months of imprisonment.

10 For Counts One through Four, for each count, you are  
11 sentenced to months' imprisonment to run concurrently.

12 For Count Five, you are sentenced to 24 months'  
13 imprisonment to run consecutively to the Court's sentence for  
14 Counts One through Four.

15 In addition, I am imposing a term of supervised release of five  
16 years.

17 There will be no fine, although you must pay the  
18 mandatory \$500 special assessment, which shall be due  
19 immediately.

20 Mr. Ray, you must also make restitution payable in an  
21 amount determined by and to the victims identified by the  
22 government.

23 AUSA Weinberg, does the government have any further  
24 updates on restitution?

25 MR. WEINBERG: No, your Honor.

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1 Just before sentencing, the government was given a few  
2 additional victims that the defendant is saying are  
3 misstatements, and the government wants to go back -- not  
4 misstatements, excuse me, that the figure is incorrect, is  
5 misstated. The government will follow up on that, but I think  
6 it would make sense for the parties to confer after sentencing,  
7 and either the Court could set a date now or we could propose a  
8 date for the Court to finalize restitution.

9 THE COURT: All right. By December 19 of this year,  
10 the government shall file a proposed consent order of  
11 restitution.

12 MR. WEINBERG: May I just be heard on one other point?

13 THE COURT: Yes.

14 MR. WEINBERG: And my apologies for not raising this  
15 earlier, but technically Count One, which also involved the  
16 violation of 18 U.S.C. 3147 for the crime while on pretrial  
17 release, any sentence imposed on Count One, there needs to be a  
18 consecutive sentence on 18 U.S.C. 3147, for that portion of it.  
19 However, there's no mandatory minimum. The Court could issue a  
20 sentence exactly as the Court did and then say that the  
21 sentence for 18 U.S.C. 3147 is time served.

22 THE COURT: All right. So I will adjust my sentence  
23 such that the sentence for 3147 is time served.

24 MR. WEINBERG: Thank you.

25 THE COURT: As I was saying, December 19 is the

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1 deadline for the government to file a proposed consent order of  
2 restitution, and upon the Court's entry of the order, the order  
3 of restitution shall become part of the judgment in the case.

4 Finally, I am required to remind you, Mr. Ray, that  
5 pursuant to the consent order of forfeiture/money judgment, you  
6 have consented to the entry of a money judgment in the amount  
7 of \$42,128,912 in United States currency, representing proceeds  
8 traceable to the commission of said offenses.

9 Further, as a result of committing Count One and Three  
10 of the superseding information, you must forfeit to the United  
11 States government, pursuant to 18 U.S.C. Section 981(a)(1)(C)  
12 and 28 U.S.C. Section 2461(c), all property, real and personal,  
13 involved in the offenses or traceable to such property.

14 That includes all rights, title and interests in the  
15 following specific property:

16 Approximately \$8,014,542.84 in funds formerly on  
17 deposit in J.P. Morgan Chase account 587327039, held in the  
18 name of CSA Business Solutions LLC;

19 Approximately \$29,928.26 in funds formerly on deposit  
20 in Comerica Bank account 1853227906, held in the name of  
21 trucking company 1;

22 Approximately \$20,298.38 in funds formerly on deposit  
23 in J.P. Morgan Chase account 707327828, held in the name of  
24 trucking company 1.

25 Approximately \$13,088.90 in funds formerly on deposit

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1 in DFCU Financial checking account 209383348, held in the name  
2 of Franklin G. Ray;

3 Any and all funds on deposit in PNC Bank account  
4 41-6216-2537, up to and including \$39,596.23, held in the name  
5 of Marsha G. Ray and Franklin Ray, and all funds traceable  
6 thereto, including accrued interest;

7 Approximately \$84,555.05 in funds formerly on deposit  
8 in Fifth Third Bank account 7981225365, held in the name of CSA  
9 Business solutions LLC; and

10 Approximately \$105,838.73 in funds formerly on deposit  
11 in J.P. Morgan Chase account 659155698, held in the name of CSA  
12 Aviation Inc.

13 Pursuant to the second forfeiture order, the following  
14 additional property must also be forfeited to the United States  
15 government as constituting proceeds traceable to the commission  
16 of the four offenses described in Counts One through Four of  
17 the information. This includes all rights, title and interest  
18 in the following specific property:

19 \$71,650 in United States currency seized on or about  
20 March 2, 2022, from defendant's residence on Poppleton Road,  
21 Canton, Michigan;

22 A 2016 Kenworth construction tractor, VIN  
23 1XKYDP9X6GJ109362;

24 A 2016 Kenworth T680 tractor, VIN 1XKYDP9X6GJ109314;

25 A 2016 Kenworth tractor, VIN 1XKYDP9X4GJ10358;

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1 A 2016 Kenworth T680 tractor, VIN 1XKYDP9X1GJ109284;

2 A 2021 GMC Yukon, VIN 1GKS2AKD5MR196421; and

3 A 1968 Chevy Camaro purchased on or about August 18,  
4 2021, with Michigan license plate FLAVTWN, VIN 124678N412611.

5 Additionally, as a result of committing the offenses  
6 charged in Count Two and Count Four of the superseding  
7 information, you shall forfeit to the United States, pursuant  
8 to 18 U.S.C. Section 982(a)(2)(A), all property, real and  
9 personal, involved in the offense or traceable to such  
10 property.

11 The mandatory and standard conditions of supervised  
12 release on pages 53 and 54 of the presentence report shall  
13 apply.

14 In addition, the following special conditions from the  
15 presentence report shall apply. These special conditions  
16 include that:

17 You must provide the probation officer with access to  
18 any requested financial information.

19 You must not incur new credit charges or open  
20 additional lines of credit without the approval of the  
21 probation officer unless you are in compliance with the  
22 installment payment schedule.

23 You shall submit your person, and any property,  
24 residence, vehicle, papers, computer, other electronic  
25 communication, data storage devices, cloud storage or media,

NbsWrays

1 and effects to a search by any United States probation officer  
2 and, if needed, with the assistance of any law enforcement.  
3 The search is to be conducted when there is reasonable  
4 suspicion concerning violation of a condition of supervision of  
5 unlawful conduct by the person being supervised. Failure to  
6 submit to a search may be grounds for revocation of release.  
7 You shall warn other occupants that the premises may be subject  
8 to searches pursuant to this condition. Any search shall be  
9 conducted at a reasonable time and in a reasonable manner.

10 If the probation officer determines, based on your  
11 criminal record, personal history or characteristics, that you  
12 pose a risk to another person, including an organization, the  
13 probation officer, with the prior approval of the Court, may  
14 require you to notify the person about the risk and you must  
15 comply with that instruction. The probation officer may  
16 contact the person and confirm that you have notified the  
17 person about the risk.

18 I recommend that you are supervised in the district of  
19 your residence.

20 Does either attorney know of any legal reason why the  
21 sentence as stated should not be imposed?

22 MR. WEINBERG: Not from the government, your Honor.

23 MR. STRAZZA: No, your Honor.

24 THE COURT: The sentence as stated is imposed.

25 That is the sentence of the Court.

NbsWrayS

1           You have the right to appeal your conviction and  
2 sentence. The notice of appeal must be filed within 14 days of  
3 the judgment of conviction.

4           If you are not able to pay the cost of an appeal, you  
5 may apply for leave to appeal *in forma pauperis*. If you  
6 request, the clerk of court will prepare and file a notice of  
7 appeal on your behalf.

8           I understand that the probation department recommends  
9 voluntary surrender.

10          Have the parties agreed to a date of surrender?

11          MR. WEINBERG: We have not.

12          MR. STRAZZA: Your Honor, I'm respectfully requesting  
13 a date in January.

14          THE COURT: All right. January 29 is the date,  
15 January 29, 2024.

16          Are there any further applications?

17          MR. WEINBERG: The government would just move to  
18 dismiss any open counts.

19          THE COURT: Any open counts are dismissed.

20          That brings our sentencing hearing to a close.

21          I want to thank the victim who testified here today.  
22 You made a difference in my assessment of the appropriate  
23 sentence.

24          The matter is adjourned.

25          (Adjourned)